

LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Clarion Hotel Shreveport, Broadmoor Room, 1419 East 70th Street, Shreveport, Louisiana, at 9:00 a.m. on **THURSDAY, OCTOBER 30, 2008**, upon the application of **PINNACLE OPERATING COMPANY, INC.**

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **Haynesville Formation, Reservoir A** and **Hosston Formation, Reservoir A**, in the Red River - Bull Bayou Field, DeSoto Parish, Louisiana.

1. To create one (1) drilling and production unit for the exploration for and production of gas and condensate from the Haynesville Formation, Reservoir A.
2. To force pool and integrate all separately owned tracts, mineral leases, and other property interests within the proposed unit, with allocation of production from the unit well to the tracts within such unit to be on the basis of surface acreage.
3. To designate a unit operator and unit well for said unit, if appropriate.
4. To provide that future wells drilled to the Haynesville Formation, Reservoir A, within or outside the proposed unit, should be located no closer than 330 feet from any unit line and no closer than 660 feet between wells drilling to, completed in, or for which a permit shall have been granted to drill to the Haynesville Formation, Reservoir A.
5. To provide that, with respect to future horizontal wells drilled to the Haynesville Formation, Reservoir A, in the proposed unit, where the horizontal portion of the well is cased and cemented back above the top of the Haynesville Formation, Reservoir A, the distance to any unit boundary will be calculated based on the distance to the nearest perforation in the well, and not based on the penetration point or terminus.
6. To redefine the Hosston Formation, Reservoir A, INsofar AND ONLY INsofar as to the proposed HOSS RA SUD is concerned, as that gas and condensate bearing interval between the depths of 6,280' and 9,315' (electric log measurements) in the J-W Operating Company - B. F. Thigpen No. 1 Well, located in Section 22, Township 12 North, Range 12 West.
7. Except to the extent contrary herewith, to extend the provisions of Office of Conservation Order No. 109-N and the 109-N Series to the proposed HOSS RA SUD.
8. To consider such other matters as may be pertinent.

The Haynesville Formation, Reservoir A, is defined as being the stratigraphic equivalent of that gas and condensate bearing zone encountered between the depths of 10,948 feet and 12,856 feet (electrical log measurements) in the EnCana Oil & Gas (USA), Inc. - Martin Timber Co. LLC No. 1 Well, located in Section 10, Township 13 North, Range 10 West.

The Hosston Formation, Reservoir A, was previously defined in Order No. 109-N, effective November 22, 1983, but shall be redefined as set forth above AS TO HOSS RA SUD.

Plats are available for inspection in the Office of Conservation in **Baton Rouge** and **Shreveport**, Louisiana.
www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

Baton Rouge, LA

9/24/08;9/27/08

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IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.